



creating housing where  
families succeed

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March 4, 2011

David Potter  
Housing Development Manager  
City of Austin  
Austin Housing Finance Corporation  
1000 East 11<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Austin, TX 78702

**RE: Arbor Terrace Purchase/Lease Agreement**

Dear Mr. Potter:

Thank you for the investment of GO Housing bonds into the conversion of the Suburban Lodge into the new "Arbor Terrace" supportive housing community. We could not create this new housing opportunity without your help. We are grateful to the AHFC Board and staff for making this new community possible.

I am writing to request that AHFC or an affiliate consider becoming the long run owner of Arbor Terrace, with a 99 ground lease back to an affiliate of Foundation Communities. This ground lease ownership structure would be very similar to what was done with Spring Terrace five years ago. The benefit to the project and to the residents is the savings of annual property taxes of roughly \$25,000/year.

To be clear that the benefits of the tax exemption flow to residents, we are willing to amend the long term deed restriction in two ways:

Commit that the first \$25,000 of any property net cash flow be used to fund onsite support services.

Commit to five additional PSH units in the following category:

*Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.*

We are working towards a closing date on the property of June 1 and understand that this request needs approval of the AHFC board. We are hopeful this can happen in May.

a Partner Agency of



United Way Capital Area



CHARTERED MEMBER



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If you have any questions or concerns please feel free to contact Gilbert Hueyopa at 512-610-4025 or via email [gilbert.hueyopa@foundcom.org](mailto:gilbert.hueyopa@foundcom.org) or I could be reached at 512-610-4016 or via email [walter.moreau@foundcom.org](mailto:walter.moreau@foundcom.org). Thank you for your consideration.

Sincerely,

Walter Moreau  
Executive Director